Supreme Court, U. S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

No. 79-1680

GARDNER BENDER, INC.,

Petitioner,

vs.

IDEAL INDUSTRIES, INC.,

Respondent.

RESPONDENT'S BRIEF IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI.

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This is a routine trademark-unfair competition case of interest only to the litigants. Petitioner comes to this Court with adverse findings of fact, conclusions of law and a judgment of the trial court which has the full concurrence of the Court of Appeals with certain modifications not here pertinent. None of the reasons outlined in Rule 19 of this Court govern this petition.

The petition presents no principle of importance to the public as distinguished from that of the parties and asserts no real and embarrassing conflict of opinion and authority between different Courts of Appeal.

Petitioner's first and foremost complaint is that the courts below abolished what it characterizes as the "primary adoption" test in determining whether or not the designations in question, the 71B series, have acquired trademark significance. Petitioner seeks to create the so-called primary adoption test by quoting out of context from ancient decisions of this Court without any pretense that the so-called primary adoption test was the holding in any of those cases.

In *Columbia Mill Co.* v. *Alcorn,* 150 U. S. 461 (1893), cited by petitioner, the designation in question was geographical and had also been used by many others prior to the purported trademark owner. The holding was simply that the designation had not acquired trademark significance.

In *Coats* v. *Merrick Thread Co.,* 149 U. S. 562 (1893), cited by petitioner, the numerals in question were descriptive and generic, so secondary meaning could not arise.

In *Amoskeag Mfg. Co.* v. *Trainer,* 101 U. S. 51 (1880), cited by petitioner, the designation in question was held to be generic.

In *William H. Keller, Inc.* v. *Chicago Pneumatic Tool Co.,* 298 Fed. 52 (7th Cir. 1923), cited by petitioner, others had used the designation previously. So the plaintiff had not acquired or created valid secondary meaning trademark rights.

Additionally, all of those decisions were prior to the decision of this Court in *Erie Railroad Co.* v. *Tompkins,* 304 U. S. 64 (1938) which held that there was no federal common law and required the Federal Courts to apply only the law of the state in which they sit. Hence, even if the decisions cited by petitioner were in point, they are prior to the *Erie* decision and defendant has made no showing that the decisions below are in conflict with the common law of Wisconsin where the District Court here sits.

Petitioner's primary adoption rule is difficult to understand. Evidently petitioner is contending that the Court must look to the state of mind, i.e. the intention, of the trademark owner at

the time that the designation in question came into being. Petitioner's point seems to be that if the owner only intended at the time of adoption that it be something other than a trademark, it cannot thereafter become a trademark regardless of its manner and length of use and acceptance by the public as an indication of origin. This conflicts directly with the law of secondary meaning.

The doctrine of secondary meaning is too well established to require extensive citations or discussion, see *Armstrong Paint & Varnish Works* v. *Nu-Enamel Corp.,* 305 U. S. 315, 335 (1938). The owner's state of mind at the time of adoption is irrelevant. Many trademarks in the nature of nicknames were not adopted at all but rather grew up due to public usage and did not result from any conscious decision of the owner. "Luckies" for Lucky Strike cigarettes is a good example, see *The American Tobacco Co.* v. *Samuel Materezzo,* 2 U. S. P. Q. 250 (Comm. Pat. 1929). "Coke" from Coca Cola no doubt was a publicly created nickname, *Coca-Cola Company* v. *Koke Company of America,* 254 U. S.143 (1920). In *Arthur Guiness, Son & Co.* v. *Oscar Von Bernuth,* 14 F. Supp. 210 (D. C. S. D. N. Y., 1923) Judge Hand accorded trademark rights to "Dublin Stout" even though it originated with the public rather than the complainant and in fact was not even used by Guiness.

Petitioner's primary adoption rule flies in the face of the value of trademarks both to the owner and the public. As stated by this Court in *Mishawaka R. & W. Mfg. Co.* v. *S. S. Kresge Co.,* 316 U. S. 203 (1941) at page 205:

> "The protection of trade-marks is the law's recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising short-cut which induces a purchaser to select what he wants, or what he has been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing

> power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of the symbol he has created, the owner can obtain legal redress.

Against this and the secondary meaning doctrine, petitioner's contention that the state of mind of the owner at the time of adoption should in some way be determinative is misplaced.

Petitioner's second complaint appears to be that respondent is guilty of laches. But that matter was fully aired below by both Courts and petitioner has not shown an abuse of discretion nor that the findings below are clearly erroneous, see *U. S.* v. *U. S. Gypsum Co.*, 333 U. S. 364 (1948). While jurisdiction here is governed by review on a petition for a writ of certiorari and not an appeal permitted by law, the thrust of Rule 15(g) is appropriate, see *U. S.* v. *Corrick*, 298 U. S. 435 (1936). Petitioner does not urge that the District Court here abused its discretion.

Petitioner's third complaint is that the Court of Appeals abolished the heavy burden of proof placed on respondent that a preliminary injunction should not be granted ipso facto where unique issues of trademark law are involved. Petitioner follows this with what is basically a reargument of the facts while omitting those less favorable to it. For example:

1. The 72B series trademarks are used by both parties and are the same. There is no question of whether or not the marks are confusingly similar. They are *identical.*

2. The goods sold by the parties—screw-on electrical connectors—are the same. There is no question of whether or not the products are confusingly similar. They are *identical.*

3. Petitioner and respondent sell to the same customers. So there is no question of whether or not the goods move in the same or similar channels of trade. *They are identical.*

4. Respondent has used the 71B series trademarks for 40 years prior to petitioner. So there is no question of who was first and by how much. *Respondent is 40 years senior.*

5. When petitioner adopted the 71B series he knew of respondent's long use. So there is no question of whether or not petitioner's adoption was innocent or inadvertent. It was *deliberate.*

6. All other parties in the industry use their own size series designation on their products. Petitioner is the only one, in addition to respondent, who applies the 71B series to its product.

Both parties availed themselves of extensive discovery including depositions of customers nationwide and the District Court was fully advised in the matter when it found (B-5b):

> "In some, based on the evidence presently before it, the court is persuaded that the weight of that evidence supports Ideal's claim of trademark status for its alpha-numeric series 71B-74B, 76B, and 78B, for use in connection with electrical connectors."

Upon reviewing the evidence the Court of Appeals found (A-10a):

> "When these statements are added to the fact that Ideal has marketed its connectors with the 71B series designations for over 30 years and that during that period Ideal has been the dominant firm (over 80% of the market in 1976) in the market, we conclude that the District Court could properly infer that the 71B series numbers had acquired secondary meaning."

Petitioner does not contend that the Courts below were not fully advised in the matter.

Petitioner's fourth complaint is that the District Court abused its discretion in misapplying the law as to irreparable harm, balance of hardships and maintaining the status quo before granting the preliminary injunction. This is followed with a

reargument of the evidence without any showing of an abuse of discretion. In commenting that petitioner knew that other competitors used their own series numbers on their connectors and cartons to indicate the source of their products the Court of Appeals pointed out (A-16a):

> "In spite of this knowledge, Gardner chose a course which it must have realized would create buyer confusion."

In summary, petitioner's primary adoption rule has no support in decisions of this or any other Court, is directly contrary to the protection of the public interest which is basic to trademark-unfair competition law and is a myth manufactured by quoting out of context from out-of-date decisions. Respondent urges that the District Court properly granted a preliminary injunction and that the Court of Appeals properly ruled in respect of all matters pertinent to the preliminary injunction.

There is no conflict here with decisional law of this or any other Circuit. The issues present no matters of general public interest. The petition should, we submit, be denied.

Dated, Chicago, Illinois this 23 day of May, 1980.

Respectfully submitted,

ALFRED H. PLYER, JR.,
Attorney for Respondent.